

7. Mortgage Insurance. Until all sums due under the Note and secured hereby are fully paid and satisfied (unless otherwise permitted by Lender and CDA), Borrower shall keep and maintain in effect a policy of mortgage insurance, in an amount at least equal to the outstanding indebtedness (unless otherwise directed by Lender and CDA), and otherwise in form and substance satisfactory to Lender, issued by (a) a private mortgage insurance company approved by Lender, or (b) if approved by Lender, the Maryland Housing Fund.

If Borrower fails to pay any insurance premiums when due, Lender may, at its option, pay said premiums on behalf of Borrower, in which case, Borrower shall promptly reimburse Lender. Any amounts so advanced by Lender shall bear interest at the rate stated in the Note and be added to the amount of the debt secured by this Deed of Trust.

8. Preservation and Maintenance of Property; Leasehold; Condominiums; Planned Unit Developments. Borrower shall keep the Property in good repair and permit the Lender or its employees or agents to enter upon and inspect the property at reasonable times. Borrower shall make all proper renewals, replacements, and additions to the Property with fifteen (15) days of written notice of a defect from the Lender. Borrower shall not commit waste or permit impairment or deterioration of the Property and shall comply with the provisions of any lease if this Deed of Trust is on a leasehold. If this Deed of Trust is on a unit in a condominium or a planned unit development, Borrower shall perform all of Borrower's obligations under the declaration or covenants creating or governing the condominium or planned unit development, and constituent documents. If a condominium or planned unit development rider is executed by Borrower and recorded together with this Deed of Trust, the covenants and agreements of such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Deed of Trust as if the rider were a part thereof.

9. Protection of Lender's Security. If Borrower fails to perform the covenants and agreements contained in this Deed of Trust or if any action or proceeding is commenced which materially affects Lender's interest in the Property, including, but not limited to, eminent domain, insolvency, code enforcement, or arrangements or proceedings involving a bankrupt or decedent, then Lender at Lender's option, upon notice to Borrower, may make such appearances, disburse such sums and take such action as is necessary to protect Lender's interest including, but not limited to, disbursement of reasonable attorney's fees and entry upon the Property to make repairs.

Any amounts disbursed by Lender pursuant to this paragraph 9, with interest thereon, shall become additional indebtedness of Borrower secured by this Deed of Trust. Unless Borrower and Lender agree to other terms of payment, such amounts shall be payable upon notice from Lender to Borrower requesting payment thereof, and shall bear interest from the date of disbursement at the rate payable from time to time on the outstanding principal under the Note unless payment of interest at such rate would be contrary to applicable law, in which event such amounts shall bear interest at the highest rate permissible under applicable law. Nothing contained in this paragraph 9 shall require Lender to incur any expense or take any action hereunder.

10. Inspection. Lender may make or cause to be made reasonable entries upon and inspections of the Property, provided that Lender shall give Borrower notice before any such inspection specifying reasonable cause therefor related to Lender's interest in the Property.

11. Further Covenants by Borrower. Borrower understands that the debt secured hereby is made in anticipation of sale to CDA under its Single Family Mortgage Purchase Program. Borrower covenants and agrees that all those matters and facts set forth in the Affidavit of Buyer and all other documents executed in connection with the debt secured hereby are true and correct. Any misstatement, omission, misrepresentation or violation of any statement made in Borrower's loan application, Buyer's Affidavit, Seller's Affidavit, or any other document executed in connection with the debt secured hereby shall constitute a default herein, upon which default Lender may, in addition to all remedies available to it at law or in equity, at its option and without notice or demand to Borrower, declare all sums secured hereby to be immediately due and payable; whereupon, said sums shall become due and payable.

12. Condemnation. The proceeds of any award or claim for damages, direct or consequential, for any condemnation or other taking of the Property, or part thereof, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender.